



South Carolina  
Higher Education  
Tuition Grants Commission

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EDWARD M. SHANNON, III  
EXECUTIVE DIRECTOR

August 15, 2007

Ms. Karen Rhinehart  
Office of the State Budget  
1201 Main Street, Suite 870  
Columbia, SC 29201

Dear Karen:

Enclosed are two (2) electronic files and ten (10) printed copies of the revised (new section and proviso numbering) 2008-2009 state budget request for the SC Higher Education Tuition Grants Commission (H06) as approved by the SC Higher Education Tuition Grants Commission. These should replace the 2008-09 budget documents sent to you last week.

Please contact me at 896-1120 should you have any questions or need further information.

Sincerely,

A handwritten signature in black ink that reads "Ed M. Shannon, III". The signature is stylized with a large "E" and "S", and the "III" is written as three vertical lines.

Edward M. Shannon, III  
Executive Director

## FISCAL YEAR 2008-09 BUDGET PLAN

### I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: Section 7/H06/Higher Education Tuition Grants Commission

B. Statewide Mission:

- 1) To administer a state-funded tuition grants program for the State of South Carolina to assist eligible state residents with demonstrated financial need to attend certain qualified in-state independent colleges on a full-time enrollment basis; and,
- 2) To gain maximum usage from the available independent college facilities located throughout the state; and,
- 3) To assist in the education of our state citizenry by helping to offset the cost of attending a South Carolina independent college, just as the State does for our state residents attending in-state, public colleges; and,
- 4) To help in the preservation of our dual system of public and private higher education, which promotes healthy competition between the two sectors; and,
- 5) To save the State millions of tax dollars each year by attracting students into the independent college sector, thereby saving the automatic per student state subsidy that goes to all SC public college students regardless of financial need; and,
- 6) To give South Carolina residents a choice of attending a SC independent college, and to allow students to make their college-choice decisions based on their academic needs and not solely on the cost of the college.

The 2008-2009 State Budget Request was approved by the SC Tuition Grants Commission at the June, 2007, meeting of the commission. The \$11,367,780 budget increase requested herein is needed to increase the maximum grant available to all eligible students from \$3,200 to \$3,350. The \$150 increase reflects the 2006 Higher Education Price Index (HEPI) percentage increase of 5%. The request would also include: 1) Since tuition grants are recurring items and lottery dollars are non-recurring funds, it is requested that the increase to the SC Tuition Grants Program be funded with state general fund dollars rather than with lottery dollars; and, 2) If the increase cannot be funded with state general fund dollars, the lottery dollars should come from the permanent lottery fund pool; and, 3) The temporary proviso exempting the SC Tuition Grants Program from mid-year budget reductions be included again in 2008-2009 or added to permanent provisos. **NOTE: If the \$9,757,163 in total lottery funds received by the SCTG Commission in 2007-2008 are renewed in 2008-2009, only \$1,610,780 in new dollars will be needed to increase the current \$3,200 maximum grant to \$3,350.**

C. Summary Description of Strategic or Long-Term Goals:

(1) Provide funding increase of \$11,367,780 to award all eligible students applying through the June 30 application deadline with a maximum grant level of \$3,350.

D.

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.1	Title: Tuition Grants	0	\$11,367,780	0	0	\$11,367,780	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name: #316: Tuition Grants										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name:										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name:										
TOTAL OF ALL PRIORITIES		\$ 0	\$11,367,780	\$ 0	\$ 0	\$11,367,780	0.00	0.00	0.00	0.00

E.

Agency Recurring Base Appropriation:

State \$ 21,802,247 (base funds)

Federal\$ 885,940 (LEAP/SLEAP)

Other \$ 12,135,702 (One-time Lottery Funds and CHE Need-based Funds)

F.

Efficiency Measures: Refer to Executive Summary section.

G.

Summary of Capital Budget Priorities: No Capital Items.			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Total of All Capital Budget Priorities:			\$ 0	\$ 0	\$ 0	\$ 0

\* If applicable

H. Number of Proviso Changes: 1) Add Proviso 7.1 to permanent provisos.

I. Signature/Agency Contacts/Telephone Numbers: Edward M. Shannon, III/Agency Director/803-896-1120

*Edward M. Shannon III*  
8/15/07

## II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: Section 7/H06/Higher Education Tuition Grants Commission

B. Priority No.   1   of   1  

C. (1) Title: Tuition Grants

(2) Summary Description: To provide a maximum SC Tuition Grant of \$3,350 to all eligible SC students.

(3) Strategic Goal/Action Plan (*if applicable*): #1

D. Budget Program Number and Name: (050000000)

E. Agency Activity Number and Name: Activity # 316: Tuition Grants

F. Detailed Justification for Funding:

(1) Justification for Funding Increase: To increase maximum award from \$3,200 to \$3,350 for all eligible students.

(2)

<b>FY 2008-09 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0
Program/Case Services		\$11,367,780			\$11,367,780
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0

<b>Total</b>	<b>\$ 0</b>	<b>\$11,367,780</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$11,367,780</b>
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State       \$ 21,802,247 (base funds)  
Federal     \$ 885,940 (LEAP/SLEAP federal funds)  
Other       \$ 12,135,702 (Lottery funds and CHE Need-based funds)

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification: N/A

(b) Future Impact on Operating Expenses or Facility Requirements: N/A

(2) Position Details:

	<b>State</b>	<b>Federal</b>	<b>Earmarked</b>	<b>Restricted</b>	<b>Total</b>
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

	<b>State</b>	<b>Federal</b>	<b>Earmarked</b>	<b>Restricted</b>	<b>Total</b>
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State	<u>  5  </u>
Federal	<u>  0  </u>
Other	<u>  0  </u>

Agency-wide Vacant FTEs as of July 31, 2007:   1  

% Vacant   20  %

H. Other Comments:

### III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

A. Agency Section/Code/Name: Section 7/H06/SC Tuition Grants:No Capital Budget Items for H06 in 2008-2009

B. Priority No. \_\_\_\_ of \_\_\_\_

C. Strategic Goal/Action Plan *(if applicable)*:

D. Project Name and Number *(if applicable)*:

E. Agency Activity Number and Name:

F. Description of Priority:

G. Detailed Justification for Funding:

(1) Justification for Funding Priority:

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*				\$ 0

*\* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

Will additional annual operating costs be absorbed into your existing budget? \_\_\_\_\_

If not, will additional state funds be needed in the future? \_\_\_\_\_

If state funds will not be needed in the future, explain the source(s) that will be used. \_\_\_\_\_

First Fiscal Year Additional Annual Operating Costs Are Anticipated: \_\_\_\_\_ Will this fiscal year require a partial or full year's operating funds? \_\_\_\_\_ If a partial year's funds are required, what portion of the year does it cover? \_\_\_\_\_

(3)

<b>Additional Annual Operating Cost Details:</b>	<b>State Non-Recurring</b>	<b>State Recurring</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Total Costs:</b>					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? \_\_\_\_\_  
 If not, will additional state funds be needed in the future? \_\_\_\_\_  
 If state funds will not be needed in the future, explain the source(s) that will be used. \_\_\_\_\_

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: \_\_\_\_\_

(3)

<b>Additional Annual Operating Cost Details:</b>	<b>State Non-Recurring</b>	<b>State Recurring</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Total Costs:</b>					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0

(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

## FY 2008-09 ACTIVITY PRIORITY ADDENDUM

### I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: Section 7/H06/Higher Education Tuition Grants Commission

B.

<b>Priority Assessment of Activities – Highest Priorities</b>	<b>General</b>	<b>Federal</b>	<b>Supplemental</b>	<b>Capital Reserve</b>	<b>Other</b>	<b>Total</b>	<b>F T Es</b>
Activity Number & Name: 316: Tuition Grants	\$21,802,247	\$885,940	0	0	\$10,087,909	\$32,776,096	5
Activity Number & Name: 318: Administration	\$352,529	0	0	0	0	\$352,529	0
Activity Number & Name: 317: SC Student Legislature	\$25,000	0	0	0	0	\$25,000	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
<b>TOTAL OF HIGHEST PRIORITIES</b>	<b>\$22,179,776</b>	<b>\$885,940</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$10,087,909</b>	<b>\$33,153,625</b>	<b>5</b>

## FY 2008-09 ACTIVITY PRIORITY ADDENDUM

### II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

- A. Agency Section/Code/Name: Section 7/H06/Higher Education Tuition Grants Commission
- B. Agency Activity Number and Name: 317/ SC Student Legislature
- C. Explanation of Lowest Priority Status: Could be funded with Private Funding
- D. Estimate of Savings: \$25,000

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	\$25,000	0	0	0	0	\$25,000
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
<b>Total</b>	<b>\$25,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$25,000</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*): 175 college students at 15 participating SC public and independent colleges could lose participation in the program.

F.

<b>Summary of Priority Assessment of Activities – Lowest Priorities</b>	<b>General</b>	<b>Federal</b>	<b>Supplemental</b>	<b>Capital Reserve</b>	<b>Other</b>	<b>Total</b>	<b>FTEs</b>
Activity Number & Name:317/SC Student Legislature	\$25,000	0	0	0	0	\$25,000	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
<b>TOTAL OF LOWEST PRIORITIES</b>	<b>\$25,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$25,000</b>	<b>0.00</b>